

**AMENDMENT TO THE CLAIMS**

Please amend the claims as set forth below. No new matter has been added. Support for the claim is found on page 20 of the specification.

1. (Currently Amended) In an interactive information distribution system containing service provider equipment and subscriber equipment that is interconnected by a communications network, a method of providing a subscription-on-demand service for an interactive information distribution system comprising the steps of:

packaging a number of on-demand subscription programs into a programming packages wherein said programming packages comprise a hierarchical structure, which may be multi-tiered or grouped; and

enabling a subscriber to access any on-demand program within a subscribed programming package on an on-demand basis by allowing the subscriber to interface with one or more menu applets.

2. (Original) The method of claim 1 further comprising the step of:

enabling a consumer to select a programming package and subscribe to the selected programming package for a predefined price and thereby become said subscriber.

3. (Original) The method of claim 1 wherein a subscriber is limited to on-demand access to on-demand programs within the subscribed programming package only during predefined time periods without incurring an additional fee.

4. (Original) The method of claim 1 wherein said on-demand programming within said programming package is defined by the subscriber.

5. (Original) The method of claim 1 wherein the programming packages are arranged in an hierarchical format having subsets of programming packages within a programming package to enable a viewer to subscribe to a programming package subset without subscribing to an entire programming package.

6. (Original) The method of claim 1 wherein a consumer selects a programming package and subscribes thereto by manipulating a graphical user interface.

7. (Currently Amended) In an interactive information distribution system containing service provider equipment and subscriber equipment that is interconnected by a communications network, a method of providing a subscription-on-demand service for an interactive information distribution system comprising the steps of:

sending from said service provider equipment to said subscriber equipment a first menu applet;

decoding and executing said first menu applet within said subscriber equipment to display a first interactive graphical user interface;

selecting, through manipulation of the first interactive graphical user interface, a subscription option comprising a hierarchical structure, which may be multi-tiered or grouped;

sending a selection signal indicative of said selected subscription option from said subscriber equipment to said service provider equipment;

determining, within said service provider equipment, if the subscriber is a current subscriber to said service identified by said selection signal;

if the subscriber is said current subscriber, sending a second menu applet from said ~~subscriber~~ service provider equipment to said ~~service provider~~ subscriber equipment;

decoding and executing said second menu applet within said current subscriber equipment to display a second interactive user interface through which the subscriber can select a subscription program for viewing;

if said subscriber is not said current subscriber, sending a third menu applet from said ~~subscriber~~ service provider equipment to said ~~service provider~~ subscriber equipment; and

decoding and executing said third menu applet within said subscriber equipment to display a third interactive user interface through which the subscriber can become a subscriber to the selected service.

8. (Original) The method of claim 7 wherein second menu applet is connected to other menu applets that provide interactive displays of categories of services, titles of programs available in each category, and program pricing for each tile.

9. (Original) The method of claim 7 further comprising the step of:  
if a new subscription is created, updating a subscription database within said service provider equipment to identify the subscriber as a subscriber to the selected service.
10. (Original) The method of claim 7 further comprising the step of:  
if a subscriber requests a new subscription, sending a fourth menu applet from said service provider equipment and decoding and executing said fourth menu applet within said subscriber equipment to display a menu that requests a personal identification number for said subscriber.
11. (Original) The method of claim 10 wherein said personal identification number is a master personal identification number.
12. (Original) The method of claim 7 wherein the subscriber selects programming for a personal subscription-on-demand service and a personal subscription-on-demand option is included in said display produced from said first menu applet.
13. (Original) The method of claim 7 wherein said subscription-on-demand services are arranged in a hierarchical structure.
14. (Currently Amended) A method of providing a subscription-on-demand service for an interactive information distribution system comprising the steps of:  
providing a programming selection menu through which a subscriber selects programming for a personal subscription-on-demand service comprising a hierarchical structure, which may be multi-tiered or grouped;  
selecting programming to define said personal subscription-on-demand service;  
storing programming identification codes associated with said selected programming and a subscriber identification number;  
enabling said subscriber, through use of said subscriber identification number, to access said personal subscription-on-demand service included in the display produced from the first

menu applet, by paying a single predefined price for access to the programming identified by the programming identification codes for a predefined period.

15. (Original) The method of claim 14 wherein said subscriber identification number is one of a personal identification number, a terminal identification number, or an account number.

16. (Currently Amended) Apparatus for providing subscription-on-demand services within an interactive information distribution system comprising:

service provider equipment containing an information server and a video session manager;

subscriber equipment containing a subscriber terminal and a display unit, where the service provider equipment is connected to the subscriber equipment by a communications network; and

said video session manager sends a plurality of executable menu applets to said subscriber terminal, said terminal executes each of said menu applets to generate interactive graphical user interface displays through which a subscriber selects a service comprising a hierarchical structure, which may be multi-tiered or grouped; the subscriber terminal sends a service request to said session manager for processing; if the subscriber is said current subscriber of the selected service, the subscriber can select a subscription program for viewing; if said subscriber is not said current subscriber, the subscriber can become a subscriber to the selected service.

17. (Original) The apparatus of claim 16 wherein the subscriber terminal decodes and executes the applets that are sent by the session manager to produce said interactive graphical user interface displays and sends to the video session manager selection signals indicative of a selected option within said interactive graphical user interface displays .

18. (Original) The apparatus of claim 16 wherein said video session manager, to provide security and system administration, accesses a personal identification database, a terminal identification database, and a subscriber database that are contained in a network manager.

19. (withdrawn) In an interactive information distribution system containing service provider equipment and subscriber equipment that is interconnected by a communications network, a method of providing dynamic pricing for information that is supplied by the interactive information distribution system comprising the steps of:

selecting information through interaction with said subscriber equipment, where the information is being requested for delivery from the service provider equipment to the subscriber equipment;

transmitting the information selection to said service provider equipment;

determining, within said service provider equipment, whether the subscriber equipment that has requested the information is eligible for a discount price with respect to the selected information;

if eligible, then sending a discount price quote to the subscriber equipment for display to the subscriber;

otherwise, sending an a la carte price quote to the subscriber equipment for display to the subscriber.

20. (withdrawn) The method of claim 19 further comprising:

making a purchase request based upon the price quote displayed to the subscriber through manipulation of the subscriber equipment;

transmitting the selected information from the service provider equipment to the subscriber equipment.

21. (withdrawn) The method of claim 19 wherein the information is a movie.

22. (withdrawn) The method of claim 19 wherein the discount price is zero.

23. (withdrawn) The method of claim 19 wherein the service provider equipment comprises a database that correlates subscriber identification to discounted programs.

24. (withdrawn) The method of claim 19 wherein the discount price is based upon purchasing a subscription package.